

division of private housing



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Housing Innovations Fund *Fact Sheet*

The Housing Innovations Fund was created by the Legislature in Chapter 226 of the Acts of 1987, and was originally capitalized with \$30 million. These funds were used to assist in the development of over 2,800 units of affordable housing. Since then, an additional \$85 million has been authorized for HIF II, III and IV with more than 3,500 additional units assisted to date.

HIF is designed to produce alternate forms of housing for low-income persons and families. Projects typically involve a substantial supportive services component, and reducing homelessness for a variety of populations is a priority of the program. Projects funded by HIF include single person occupancy (SPO) housing, special needs housing for persons with AIDS/HIV, battered women's shelters, housing that meets the needs of physically and mentally handicapped people, and transitional housing providing shelter and social services to persons in need of a supportive housing environment. The HIF contribution per project is limited to \$500,000. HIF IV also includes projects proposed by municipalities or housing development agencies and Massachusetts colleges and universities; employer assisted housing; lease-to-purchase housing and housing produced pursuant to a court-approved receivership.

The Division of Private Housing provides affordable homeownership and rental opportunities in the private sector. Among the programs that are administered by the division are those that fund and encourage the development of mixed-income projects sponsored by community housing partnerships and developers, that make housing overstock and foreclosure properties available to first time homebuyers, and that provide advantageous home financing terms for low- and moderate-income families.

How it works

DHCD periodically makes HIF funding available on a competitive basis through a Notice of Funding Availability. Projects which are funded receive a 5% deferred payment loan from HIF with an initial term of 30 years. Projects must reserve at least 25% of the housing units for

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occupancy by low-income persons or families and 25% for very low-income people or families. The HIF loan cannot exceed \$500,000.

**Who
is eligible**

Nonprofit developers only.

**Application
process**

A “One Stop Application” must be submitted and can be found online at www.onestopapp.com. Applications must demonstrate that the amount of HIF funds requested is necessary to support a successful project. All members of the development team must be in good standing with DHCD. Applications are competitively reviewed based on several criteria, including strength of the overall concept, strength of development team, demonstrated need for the project, appropriateness of site and design, appropriateness of service plan, reasonable total development cost, financial viability, degree of local support, evidence of readiness to proceed, evidence of satisfactory status on projects previously funded with DHCD resources.

**For further
information**

Please call the Division of Private Housing at (617) 727-7824.